## Message Text

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INFO OCT-01 EUR-12 ISO-00 SP-02 ICA-11 AID-05 EB-08 NSC-05 TRSE-00 SS-15 STR-07 OMB-01 CEA-01 L-03 H-01 PA-01 CIAE-00 COME-00 FRB-03 INR-10 NSAE-00 XMB-02 OPIC-03 LAB-04 SIL-01 DOE-15 SOE-02 OES-07 /134 W

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R 081911Z JUN 78
FM AMEMBASSY PORT OF SPAIN
TO SECSTATE WASHDC 2535
INFO AMEMBASSY BOGOTA
AMEMBASSY BRASILIA
AMEMBASSY PARIS
AMEMBASSY STOCKHOLM
AMEMBASSY VIENNA

CONFIDENTIAL PORT OF SPAIN 01756

E.O. 11652: GDS

TAGS: ECRE, ENGR, BENC, TD

SUBJECT: GOTT CANCELS BECHTEL CONTRACT WITH TRINIDAD AND TOBAGO OIL COMPANY

- 1. THE EMBASSY HAS LEARNED THAT THE GOTT, SOLE SHARE-HOLDER OF TRINIDAD AND TOBAGO OIL COMPANY (TRINTOC), HAS INSTRUCTED TRINTOC TO CANCEL ITS CONTRACT FOR MANAGEMENT SERVICES WITH BECHTEL CORPORATION. CONTRACT WAS OPEN ENDED, AND TRINTOC'S MANAGING DIRECTOR (WALTON JAMES) SAID TERMINATION WAS BEING CARRIED OUT AMICABLY. SERVICES PROVIDED TO TRINTOC BY BECHTEL WERE LARGELY THOSE OF CONSULTANT TO MANAGEMENT ON UPGRADING OF POINT FORTIN REFINERY
- 2. TRINTOC WAS NOT UNHAPPY WITH BECHTEL'S PERFORMANCE, ALTHOUGH JAMES SAID ANY NEW ARRANGEMENTS FOR SIMILAR SERVICES WOULD BE SOMEWHAT DIFFERENT FROM THOSE THEY HAD CONFIDENTIAL

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WITH BECHTEL. THIS IS IN PART BECAUSE TRINTOC'S OWN PERSONNEL HAVE IN THE INTERIM BECOME MORE KNOWLEDGEABLE AND COULD DO MORE FOR THEMSELVES AS A RESULT OF THEIR ASSOCIATION WITH BECHTEL.

3. DISCUSSIONS BETWEEN BECHTEL AND TRINTOC ARE STILL GOING ON, AND JAMES DOES NOT RULE OUT POSSIBILITY THAT

THERE WILL STILL BE A ROLE FOR BECHTEL IN THE REFINERY PROJECT, WHICH HAS NOT YET REACHED THE DESIGN AND IMPLEMENTATION STAGE.

- 4. JAMES SUGGESTED THAT GOTT'S REASON FOR SEEKING ALTERNATIVE TO BECHTEL CONTRACT THROUGH OTHER GOVERNMENTS WAS PART OF A BROADER GOTT EFFORT TO DIVERSIFY ITS ECONOMIC RELATIONS. WHATEVER THE REASON, THE DECISION WAS EVIDENTLY TAKEN BY PM WILLIAMS AS A MATTER YF POLICY, AND DOES NOT REFLECT ADVERSELY ON BECHTEL.
- 5. COMMENT. THE POSSIBLE PROVISION OF TECHNICAL SERVICES ON REFINERY DEVELOPMENT WAS REPORTEDLY DISCUSSED IN BI-LATERAL MEETINGS OVERTAST SEVERAL MONTHS BETAUEN COTT AND EUROPEAN COUNTRIES, INCLUDING FRANCE, SWEDEN AND AUSTRIK. TO OURHINOWLEDGE NO SPECIFIC AGREEMENT HAS BEEN REACHED ON THIS CONTEXT. MEETINGS WERE INTEGRAL PART OF PM WILLIAMS' STRAGEGY TO ESTABLISH CLOSER ECONOMIC RELATIONS WITH COUNTRIES OUTSIDE ITS TRADITIONAL TRADING CIRCLES (IN ADDITION TO THOSE MENTIONED ABOVE, COLOMBIA AND BRAZIL. FOR EXAMPLE). THESE EFFORTS HAVE SOMETIMES TAKEN THE FORM OF INVITING HIGH LEVEL DELEGATIONS (OFFICIAL, BUSINESS, AND BANKING) TO VISIT TRINIDAD AND TOBAGO FOR PRIVATE DIS-CUSSIONS WITH THE PM (CONTENTS OF WHICH HAVE NOT BEEN FULLY REVEALED), AND SENDING MINISTERIAL-LEVEL MISSIONS ABROAD. THE POLICY IS PARTLY A RESULT OF WILLIAMS' DISILLUSIONMENT CONFIDENTIAL

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WITH THE CARIBBEAN COMMON MARKET. IT REFLECTS EQUALLY THE INCREASING DE FACTO DEPENDENCE ON THE UNITED STATES ECONOMY, THROUGH THE INVOLVEMENT OF U.S. FIRMS AS PARTNERS AND CONTRACTORS ON THE MAJOR INDUSTRIAL DEVELOPMENT PROGRAM AS WELL AS THE RELIANCE ON THE U.S. AS A MARKET FOR THE OUTPUT OF THESE PLANTS. FOX

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TAGS: ECRE, ENRG, BENC, TD, TRINTOC, BECHTEL CORPORATION

To: STATE Type: TE

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